

tation regarding the maintenance of the metallic standard. This outward movement was checked by the banks and exchange houses and the reserve again increased during the autumn of 1896.

The crisis in Australia in 1893 was one of those peculiar to new countries. The future had been too rapidly discounted, speculation in land had been carried beyond the possibility of the immediate development of the country and an enormous debt had been created for public works. Competition in banking had been carried to such an extreme that nearly every little community supported branches of all the leading banks, and obtained excessive loans on property which could not be converted into quick assets. Not content with loaning their own funds in this way, the Australian banks established agencies all over the United Kingdom, with some local solicitor or stock broker as agent, and paid commissions to obtain deposits. When the crisis broke out in January 1893, ^{the} British deposits in the Australian banks were about one-third of the total deposits of £153,000,000. Foreign money had poured into Australia under the conviction among British investors that investments among those of their own blood were safer than among the South American republics or the decrepit nations of Eastern and Southern Europe.

This easy accession of riches came to be counted by the Australians as part and parcel of their own accumulations. A circular issued on behalf of a public loan for the colony of Victoria in 1892 counted up the wealth of the people at £440,000,000 or at the rate of nearly £400 for each of the 1,140,000 inhabitants. This valuation was more than fifty per cent, greater per capita than that of Great Britain, after centuries of accumulation, but it was made up by appraising unsettled lands at £2 per acre which could not be sold today for £1 and by a similar process of inflation of bank credits and personal wealth.¹ The City of Melbourne, with its population of 500,000, was extended on the maps of the land speculators to limits which would have afforded ample

¹ Raffalovich, *Le Marché Financier en 1894* 3°5